
By: **Delegates Kach, Hogan, Holmes, and McConkey**
Introduced and read first time: February 12, 2004
Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Sale of Single Family Residential Real Property - Disclosures in a**
3 **Residential Property Disclaimer Statement**

4 FOR the purpose of altering the statement that a vendor of single family residential
5 real property is required to make in a residential property disclaimer statement
6 regarding the condition of the real property; requiring a vendor to make a
7 certain statement in a residential property disclaimer statement regarding
8 latent defects; altering the content of a residential property disclaimer
9 statement regarding the condition of the property that a purchaser will be
10 receiving; providing that a vendor is not required to undertake an independent
11 investigation or inspection of real property in order to make a certain disclosure
12 in a residential property disclaimer statement; defining a certain term; and
13 generally relating to disclosures in a residential property disclaimer statement
14 in the sale of single family residential real property.

15 BY repealing and reenacting, without amendments,
16 Article - Real Property
17 Section 10-702(a)(1) and (b)
18 Annotated Code of Maryland
19 (2003 Replacement Volume and 2003 Supplement)

20 BY repealing and reenacting, with amendments,
21 Article - Real Property
22 Section 10-702(c)
23 Annotated Code of Maryland
24 (2003 Replacement Volume and 2003 Supplement)

25 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
26 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Real Property**

2 10-702.

3 (a) (1) This section applies only to single family residential real property
4 improved by four or fewer single family units.

5 (b) (1) A vendor of single family residential real property shall complete and
6 deliver to each purchaser:

7 (i) A written residential property condition disclosure statement on
8 a form provided by the State Real Estate Commission; or

9 (ii) A written residential property disclaimer statement on a form
10 provided by the State Real Estate Commission.

11 (2) The State Real Estate Commission shall develop by regulation a
12 single standardized form that includes the residential property condition disclosure
13 and disclaimer statements required by this subsection.

14 (c) (1) IN THIS SECTION, "LATENT DEFECT" MEANS ANY MATERIAL DEFECT
15 THAT:

16 (I) A PURCHASER WOULD NOT BE REASONABLY EXPECTED TO
17 ASCERTAIN OR OBSERVE BY A CAREFUL INSPECTION OF THE REAL PROPERTY BY
18 THE PURCHASER; AND

19 (II) POSES A DIRECT THREAT TO THE HEALTH, SAFETY, OR LIFE OF
20 THE PURCHASER OR ANY OCCUPANT OF THE REAL PROPERTY, INCLUDING AN
21 INVITEE OR A TENANT.

22 (2) The residential property disclaimer statement shall state that:

23 [(1)] (I) [The] EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
24 PARAGRAPH, THE vendor makes no representations or warranties as to the condition
25 of the real property or any improvements on the real property; [and]

26 (II) EXCEPT AS DISCLOSED BY THE VENDOR IN THE RESIDENTIAL
27 PROPERTY DISCLAIMER STATEMENT, THE VENDOR REPRESENTS AND WARRANTS
28 THAT THE VENDOR HAS NO ACTUAL KNOWLEDGE OF ANY LATENT DEFECTS AS TO
29 THE CONDITION OF THE REAL PROPERTY OR ANY IMPROVEMENTS ON THE REAL
30 PROPERTY; AND

31 [(2)] (III) The purchaser will be receiving the real property "as is", with
32 all defects that may exist, INCLUDING ANY LATENT DEFECTS AS DISCLOSED BY THE
33 VENDOR ON THE RESIDENTIAL PROPERTY DISCLAIMER STATEMENT UNDER
34 SUBPARAGRAPH (II) OF THIS PARAGRAPH, except as otherwise provided in the
35 contract of sale of real property.

1 (3) THE VENDOR IS NOT REQUIRED TO UNDERTAKE OR PROVIDE AN
2 INDEPENDENT INVESTIGATION OR INSPECTION OF THE REAL PROPERTY IN ORDER
3 TO MAKE THE DISCLOSURE REQUIRED UNDER PARAGRAPH (2)(II) OF THIS
4 SUBSECTION.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2004.